Business Results for the First Quarter of FY2024

August 2, 2024

Hirose Electric Co., Ltd.

〔6806〕

Cautionary Statement

In this material, there are descriptions based on current estimation by Hirose Electric.
Hirose cautions you that a number of important risks, uncertainties and others could cause actual results to differ materially from those discussed in the *forward-looking statements. Thank you for your understanding.

*Forward-looking statements include, but are not limited to, those statements using words such as “believe,” “expect,” “plans,” “strategy,” “prospects,” “forecast,” “estimate,” “project,” “anticipate,” “aim,” “may” or “might” and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. These statements are based on management’s assumptions and beliefs in light of the information currently available to it.

Summary of the business results (FY2024.1Q From April, 2024 to June, 2024)

Meanwhile, the recovery in General Industrial market has been gradual, the sales for Smartphone and Consumer equipment showed strong start. Additionally, Automotive market segment kept a steady growth. As a result, sales increased by +10.9% YoY, operating profit +13.3%, and operating profit margin reached 22.9%. Orders increased by +31.5% YoY, +20% QonQ

(Yen in hundred millions)

	FY2023.1Q 2023.Apr-Jun	FY2023.4Q 2024.Jan-Mar	FY2024.1Q 2024.Apr-Jun	YoY (2024.1Q/2023.1Q)	QoQ (2024.1Q/2023.4Q)
Orders	368.6	404.0	**484.8**	+31.5%	+20.0%
Sales	404.5	403.5	**448.7**	+10.9%	+11.2%
Operating profit	90.6	67.9	**102.6**	+13.3%	+51.1%
Operating profit ratio	22.4%	16.8%	**22.9%**	+0.5pt	+6.1pt

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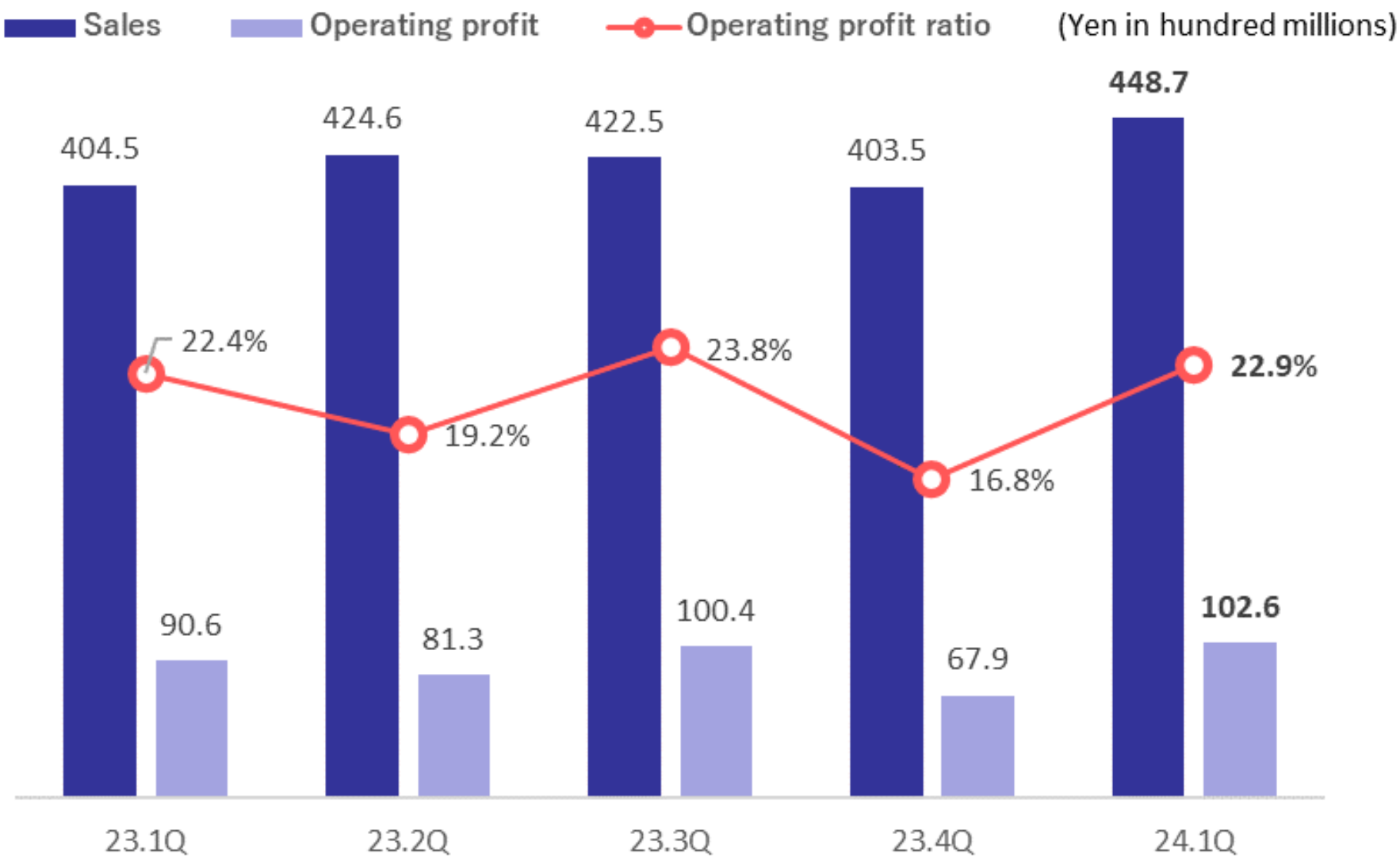
Changes in sales and operating profit (FY2023.1Q - FY2024.1Q / Consolidated basis)



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Business Results for FY2024.1Q

(Yen in hundred millions)

	FY2023.1Q (FY ended June 30, 2023)	FY2024.1Q (FY ended June 30, 2024)	Increase/ Decrease (YoY)	Increase/ Decrease ratio (YoY)
Sales	**404.5**	**448.7**	**+44.2**	**+10.9%**
COGS Ratio	53.9%	55.0%	+1.1	
SGA Ratio	23.4%	22.3%	-1.1	
Operating profit	**90.6**	**102.6**	**+12.0**	**+13.3%**
(%)	22.4%	22.9%	+0.5	
Profit before tax	**106.5**	**118.4**	**+11.9**	**+11.2%**
(%)	26.3%	26.4%	+0.1	
Net profit	**60.2**	**84.0**	**+23.8**	**+39.6%**
(%)	14.9%	18.7%	+3.8	
Total Assets	**4,038.6**	**4,157.0**		
Shareholder's Equity Ratio	**88.3%**	**89.5%**		
Earnings Per Share	**174.89 yen**	**248.41 yen**		

	FY2023.1Q	FY2024.1Q
1US$	137.37 yen	**155.88 yen**
1 €	149.47 yen	**167.88 yen**
100 won	10.46 yen	**11.38 yen**

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FY2024.1Q Major Changes year-on-year

(Yen in hundred millions)

Sales

44.2 hundred millions yen **Increased**
(404.5 → 448.7)

General Industrial : -41
Automotive/Mobility-related : +31
Consumer/Mobile equipment : +28

COGS Ratio

1.1 pt Deteriorated (53.9% → 55.0%)

Depreciation Ratio : 8.1% → 8.1%
Labor Cost Ratio : 7.6% → 7.8%

SGA Ratio

1.1 pt Improved (23.4% → 22.3%)

94.6 → 100.1 (Increased by 5.5)

Financial income / costs

0.1 hundred millions yen **Deteriorated**
(+15.9 → +15.8)

Exchange Gain or Loss : +6.7 → +3.2
Interest Received and Others : +6.2 → +8.2

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FY2024.1Q YoY Variation Analysis

(Yen in hundred millions)

	Sales	Operating Profit	(%)	Profit before tax	(%)
FY2023.1Q Actual	**404.5**	**90.6**	**22.4%**	**106.5**	**26.3%**
Exchange rate	35.3	17.7		14.8	
Labor cost increase		-3.3		-3.3	
Depreciation cost increase		-5.1		-5.1	
Increase in the product	8.9	2.7		5.5	
Total amount of changes	**44.2**	**12.0**		**11.9**	
FY2024.1Q Actual	**448.7**	**102.6**	**22.9%**	**118.4**	**26.4%**

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Consolidated Balance Sheet (1)

(Yen in hundred millions)

	Account	Mar 31, 2024	Jun 30, 2024	Increase/ Decrease	Remark
Assets	Cash and Cash equivalents	**903.4**	**821.1**	**-82.3**	Profit before tax +118, Consumption tax refund +41, Dividend payment -72, Koriyama new factory -36, Other capital investment -59
	Trade and other receivables	**394.2**	**427.7**	**+33.5**	Increased by strong Sales and weaker yen
	Inventories	**243.6**	**252.4**	**+8.8**	Increased by weaker yen
	Other financial assets	**1,422.0**	**1,535.0**	**+113.0**	Time deposit +57, Securities and others +57
	Property, plant and equipment	**809.5**	**869.3**	**+59.8**	Koriyama new factory +32, Korea factory expansion +11
	Right-of-use asset	**56.3**	**58.2**	**+1.9**	
	Others	**205.5**	**193.3**	**-12.2**	Consumption tax refund -41 Uncollected consumption tax +23, Intangible assets increased +4
	Total Assets	**4,034.5**	**4,157.0**	**+122.5**	
	Total of cash in bank	**1,726.3**	**1,714.7**	**-11.6**	

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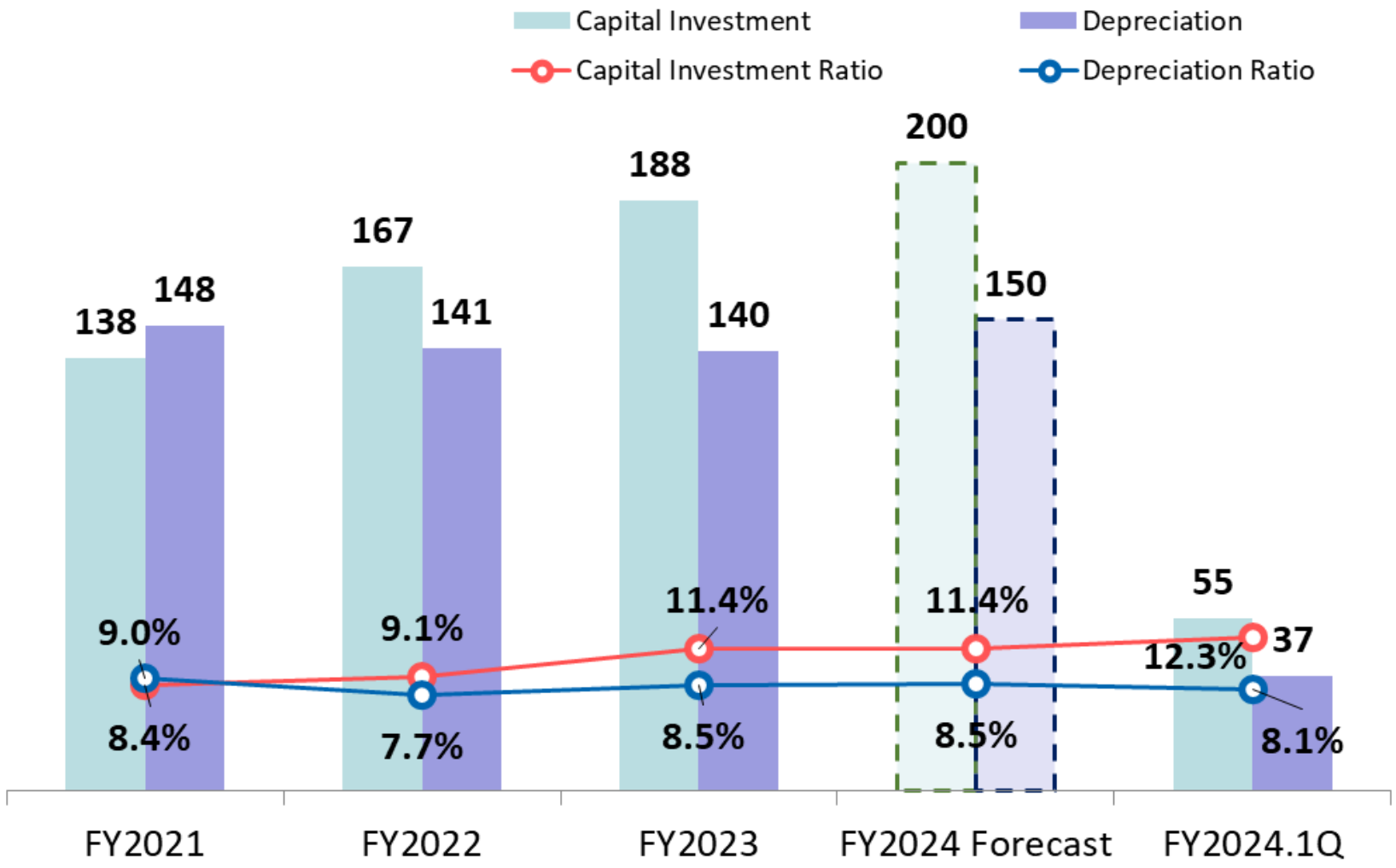
Consolidated Balance Sheet (2)

(Yen in hundred millions)

	Account	Mar 31, 2024	Jun 30, 2024	Increase/ Decrease	Remark
Liabilities	Payables and other debt	**117.3**	**140.8**	**+23.5**	Increased by purchases and productions
	Lease liabilities	**59.3**	**61.3**	**+2.0**	
	Income taxes payable	**25.0**	**41.2**	**+16.2**	Increased by profit increase
	Others	**191.2**	**193.4**	**+2.2**	Increased by deferred tax liabilities
	Total	**392.8**	**436.7**	**+43.9**	
Shareholder's Equity	Capital stock and Capital surplus	**205.9**	**205.1**	**-0.8**	
	Retained Earnings	**3,408.1**	**3,336.2**	**-71.9**	Net profit +84 Dividends paid -74 Cancellation of treasury shares -82
	Treasury Shares	**- 358.1**	**- 274.9**	**+83.2**	Cancellation of treasury shares +83
	Others	**385.8**	**453.8**	**+68.0**	Translation adjustment +74
	Total	**3,641.7**	**3,720.3**	**+78.6**	
	Total Liabilities and Shareholder's Equity	**4,034.5**	**4,157.0**	**+122.5**	

Changes in Capital Investment and Depreciation (Consolidated basis)

(Yen in hundred millions)



(*Excluded: Investment in land, building and software

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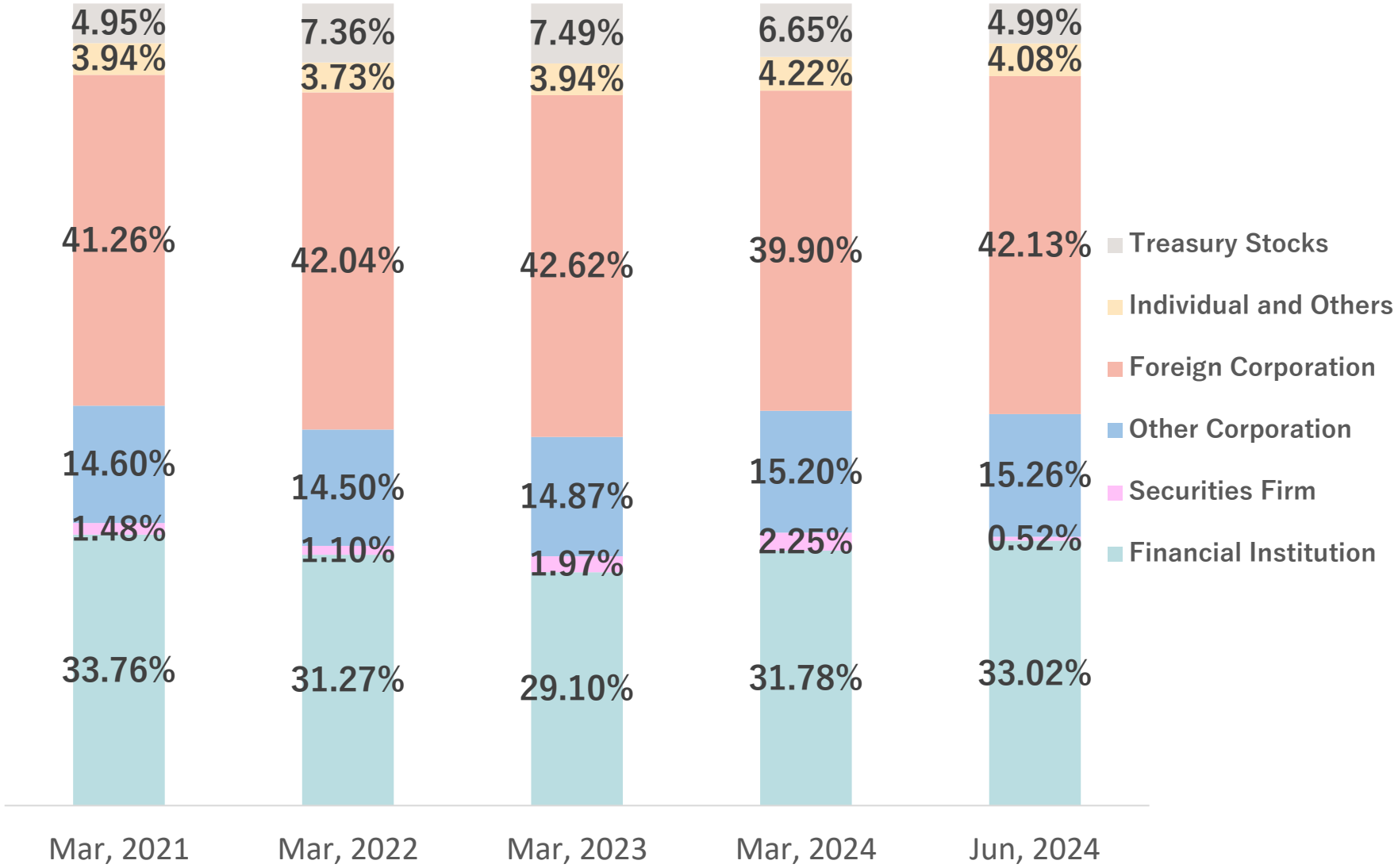
Distribution of Shareholders

Number of Shareholders (People)	Mar, 2021	Mar, 2022	Mar, 2023	Mar, 2024	Jun, 2024
	2,883	2,813	3,009	3,268	2,761



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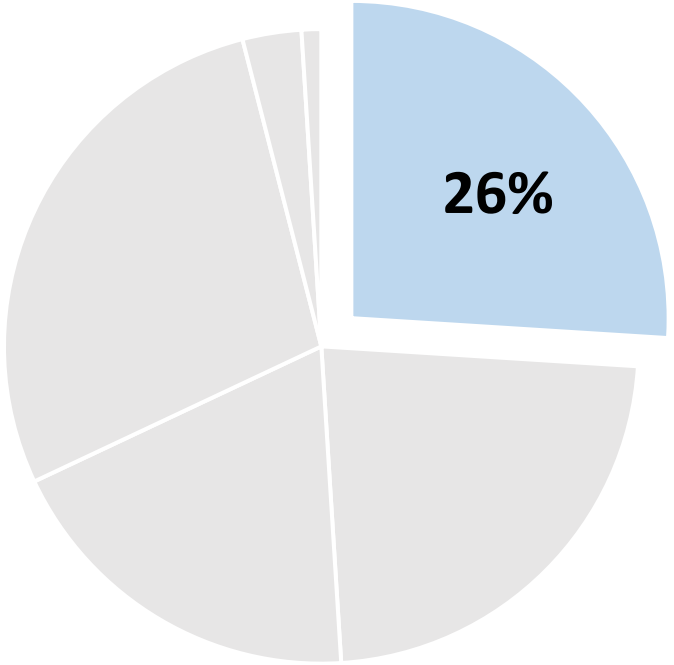
Sales by Application _ General Industrial

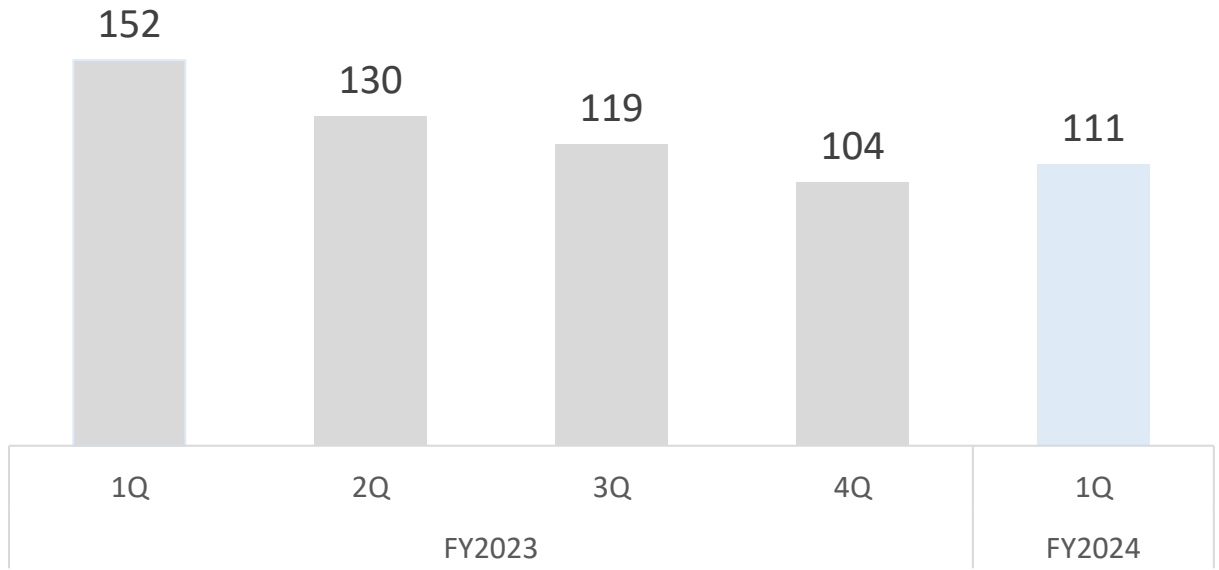
(Yen in hundred millions)

	FY2023		FY2024	YoY	QoQ
	1Q	4Q	1Q		
Sales	152	104	**111**	-27%	+7%

- **FY2024.1Q Composition ratio**



- **Changes in quarterly sales**



■ Sales have bottomed out and are starting to show a gradual recovery trend.

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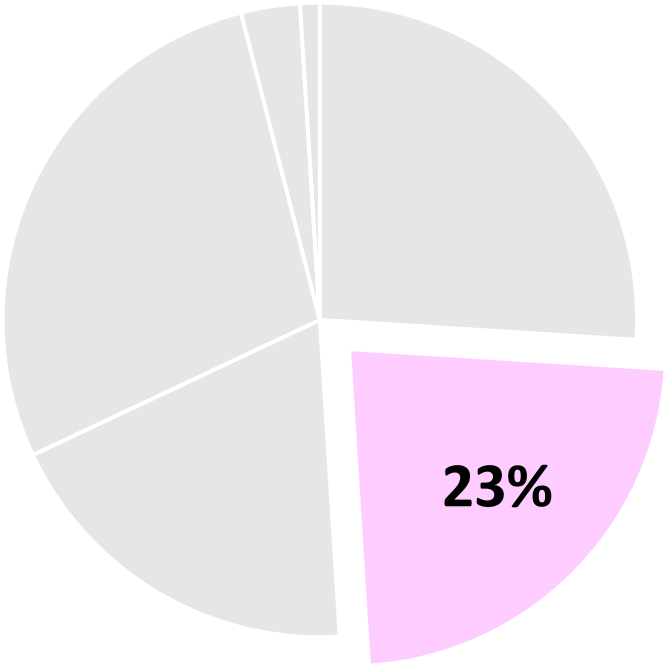
Sales by Application _ Smartphone

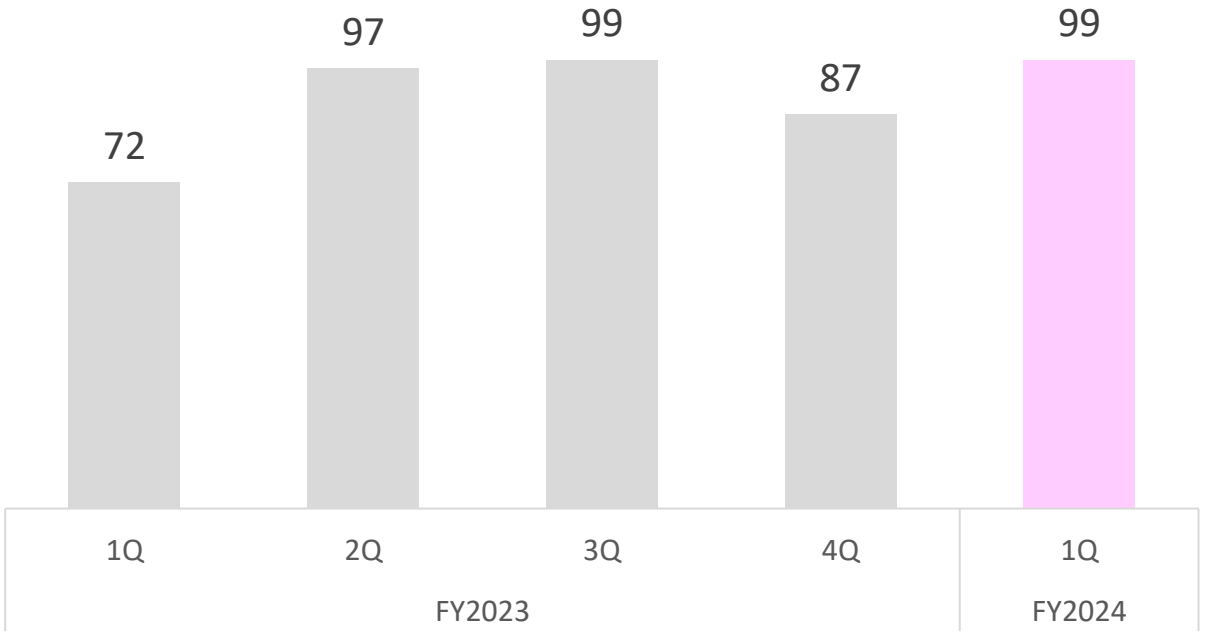
(Yen in hundred millions)

	FY2023		FY2024	YoY	QoQ
	1Q	4Q	1Q		
Sales	72	87	**99**	+38%	+14%

- **FY2024.1Q Composition ratio**



- **Changes in quarterly sales**



■ Sales for 1Q were slightly higher than usual yearly trend.

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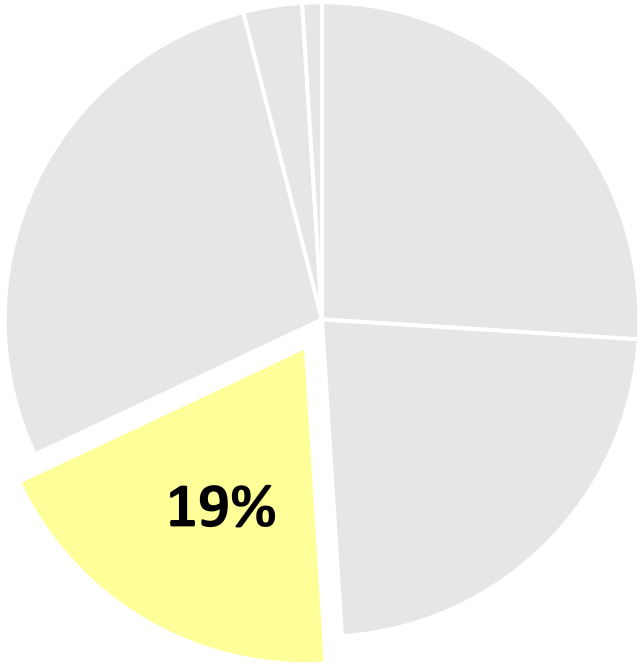
Sales by Application _ Consumer/Mobile Equipment

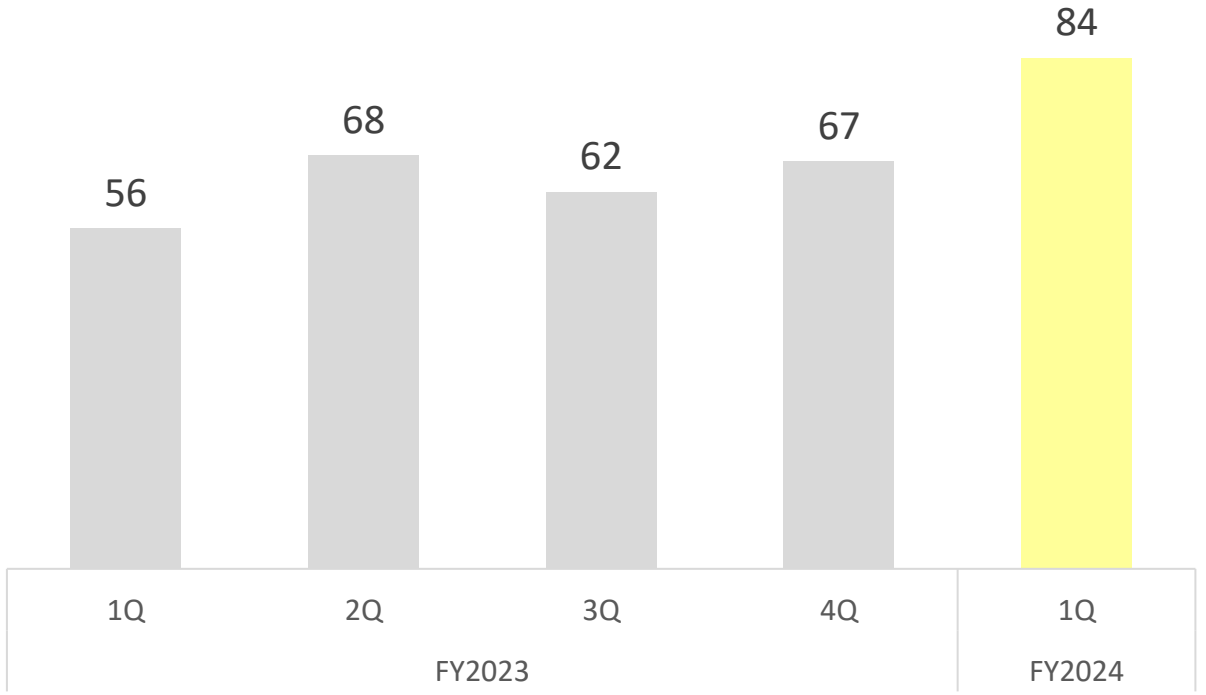
(Yen in hundred millions)

	FY2023		FY2024	YoY	QoQ
	1Q	4Q	1Q		
Sales	56	67	**84**	+50%	+25%

- **FY2024.1Q Composition ratio**



- **Changes in quarterly sales**



■ Sales for wearable devices, laptop, tablet PC and smart home appliances have all had a generally good start.

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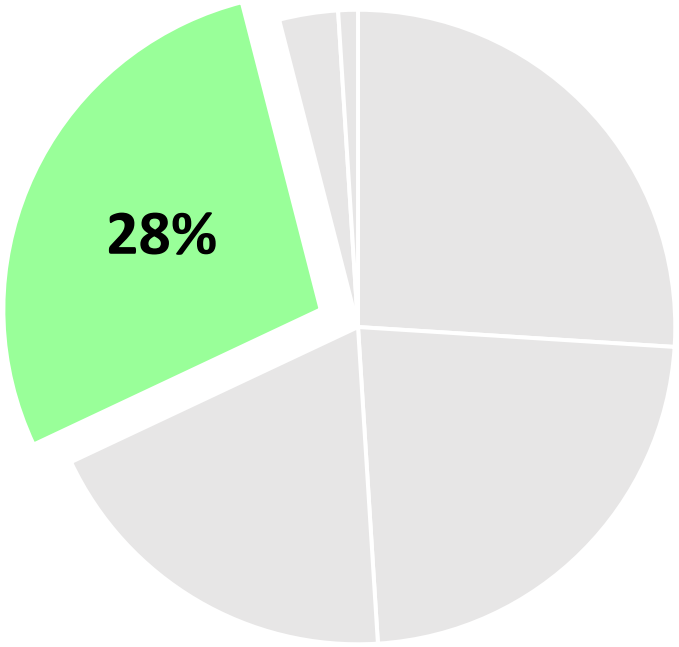
Sales by Application _ Automotive/Mobility-related

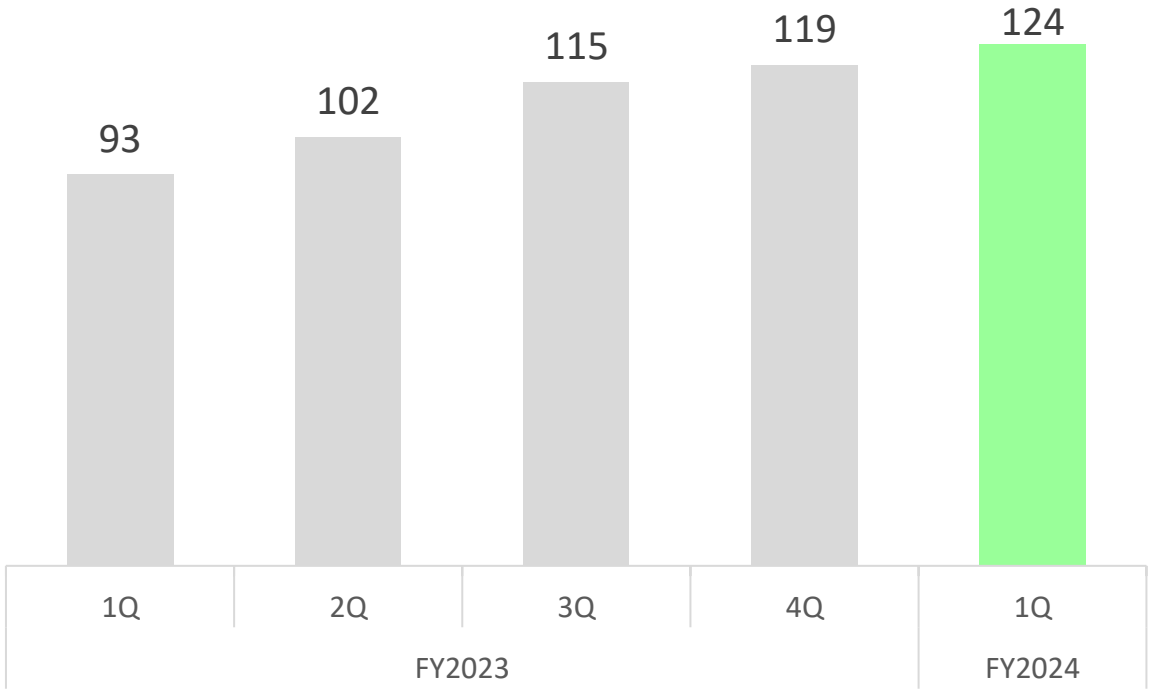
(Yen in hundred millions)

	FY2023		FY2024	YoY	QoQ
	1Q	4Q	1Q		
Sales	93	119	**124**	+33%	+4%

- **FY2024.1Q Composition ratio**



- **Changes in quarterly sales**



■ Following 4Q, we achieved new quarterly sales record.

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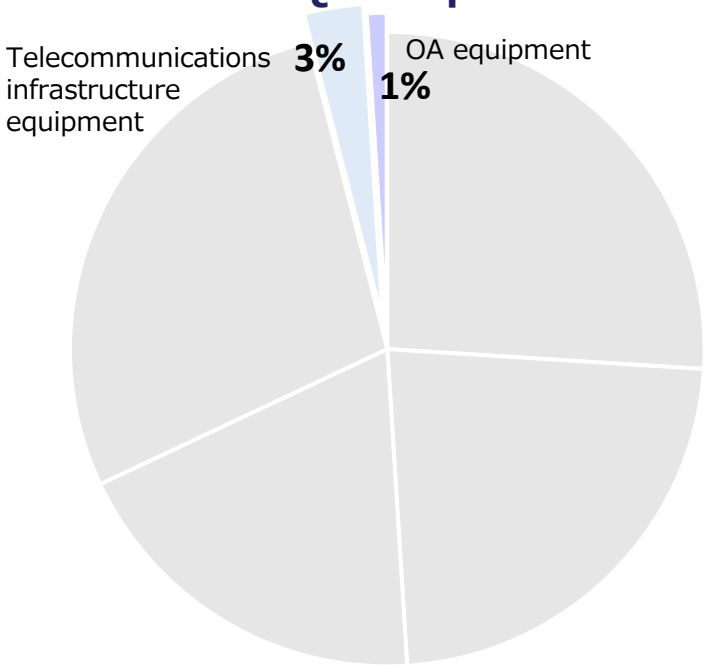
Sales by Application _ Telecommunications infrastructure equipment / OA equipment

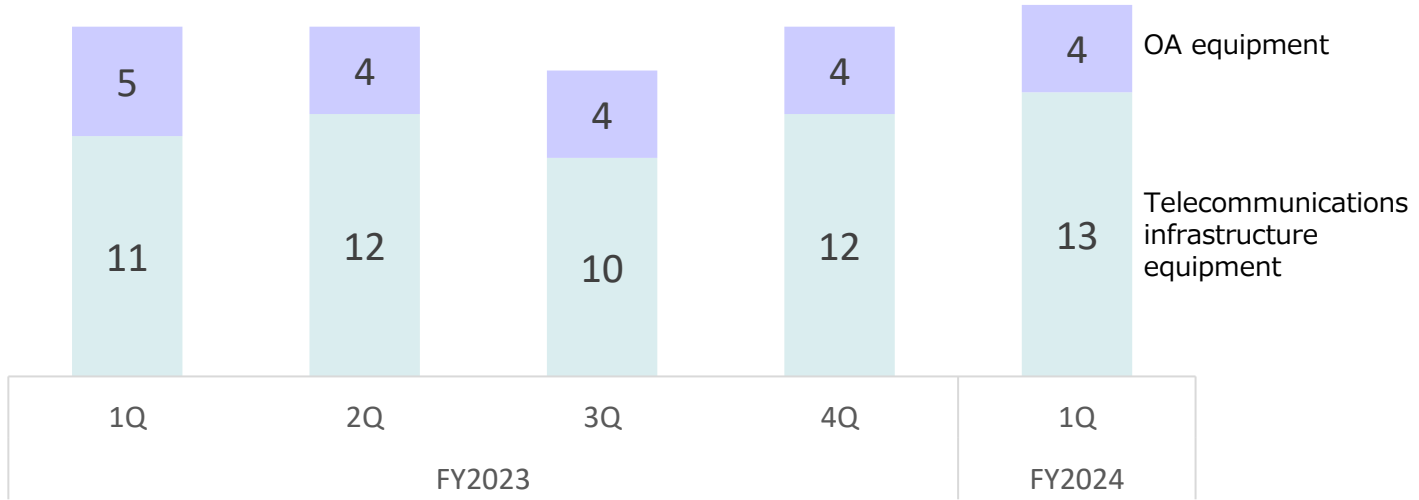
(Yen in hundred millions)

	FY2023		FY2024	YoY	QoQ
	1Q	4Q	1Q		
Telecommunications infrastructure equipment	11	12	**13**	+18%	+8%
OA equipment	5	4	**4**	-20%	±0%

● FY2024.1Q Composition ratio



● Changes in quarterly sales



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Business Forecast for the Year Ending March 31, 2025 (Consolidated)

There is no change from the forecast announced in May, 2024

	FY2023 Actual (FY ended March 31, 2024)		FY2024 Forecast (FY ending March 31, 2025)		First Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
	First Half	For the Year	First Half	For the Year	Amount Change	%	Amount Change	%
Sales	829.1	1,655.1	**830.0**	**1,760.0**	+0.9	+0.1%	+104.9	+6.3%
COGS Ratio	55.6%	56.2%	**56.3%**	**56.1%**				
Operating Profit	171.9	340.2	**160.0**	**360.0**	-11.9	-6.9%	+19.8	+5.8%
(%)	20.7%	20.6%	**19.3%**	**20.5%**				
Profit before tax	196.8	387.6	**170.0**	**390.0**	-26.8	-13.6%	+2.4	+0.6%
(%)	23.7%	23.4%	**20.5%**	**22.2%**				
Net Profit	126.0	264.8	**120.0**	**280.0**	-6.0	-4.7%	+15.2	+5.7%
(%)	15.2%	16.0%	**14.5%**	**15.9%**				
Earnings per share	—	772.38 yen	—	**827.65 yen**				
Dividend per share	220円	440 yen	**245 yen**	**490 yen**				
Consolidated Dividend Payout Ratio	—	57.0%	—	**59.2%**				

[Exchange rate]	FY2023 Actual	FY2024 Forecast
1US$	144.62 yen	**143.00 yen**
1 €	156.80 yen	**155.00 yen**
100 won	10.97 yen	**10.80 yen**

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Appendix.
Sales by Applications round number (quarterly basis)

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	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 1Q Composition ratio
General Industrial	152	130	119	104	**111**	**26%**
Smartphone	72	97	99	87	**99**	**23%**
Consumer/Mobile Equipment	56	68	62	67	**84**	**19%**
Automotive/ Mobility-related	93	102	115	119	**124**	**28%**
Telecommunications Infrastructure Equipment	11	12	10	12	**13**	**3%**
OA Equipment	5	4	4	4	**4**	**1%**
Total of Connector Sales	389	413	408	392	**434**	**100%**
Others	16	12	14	11	14	
Total	**405**	**425**	**423**	**403**	**449**	

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